

PLACER COUNTY BOARD OF SUPERVISORS EXPENSE REIMBURSEMENT POLICY

COMPLAINT 2000A-18

Background/Summary

The Grand Jury investigated a complaint alleging that the expense reimbursement policy for the Placer County Board of Supervisors is neither specific nor clearly expressed. The administrative rules¹ were updated in 1999 to address expense reimbursements for employees, department heads and elected officials. (Attached as Exhibit 1 are pertinent excerpts of the County policy.) However, The Grand Jury feels there is still considerable variance in the application of the rules as they apply to elected officials and that the policy should be clarified.

Discussion

The Grand Jury determined the expense claiming process for Supervisors is as follows:

- ❖ The Administrative Officer to the Board of Supervisors reviews expense claims submitted by the Supervisor. If the Administrative Officer feels a claim is questionable or submitted in error, it is brought to the attention of the Supervisor who may or *may not* amend the claim.
- ❖ Claims are reviewed by the County Counsel and then sent to the Auditor-Controller's Office.
- ❖ If any portion of the claim is more than 100 days old, the County Executive Officer must approve the claim.
- ❖ The Auditor-Controller's Office reviews the claim, checking for technical errors and then prepares the reimbursement warrant.

The Grand Jury interviewed a number of appointed and elected County officials in the course of its investigation. The Grand Jury noted that the process is inherently questionable as appointees of the Board rather than an independent entity conduct the review of expense reimbursements. Questionable items are left to the discretion of the person making the claim. Considerable discretionary latitude was noted among expense claims submitted by elected officials.

¹ Placer County Administrative Rules, Policies, and Practices, revised 12/21/99.
Response to the Placer County 2000-2001 Grand Jury Final Report

Finding 1

There is a need for a clear-cut definition of necessary and reasonable reimbursable expenses for elected County officials.

- ***The Board of Supervisors and the County Executive Officer agree with the finding above.***
- ***However, as stated in the response of the County Auditor-Controller, it is impossible to develop a complete list of all necessary and reasonable expenses for elected officials. In addition, the Board of Supervisors has adopted policy to guide employees, department heads and elected officials when they incur and seek reimbursement of expenses for meals, lodging and transportation while conducting official county business. This policy is stated in Chapter 2 of the County Administrative Rules and contains information, in general, of allowable expenses and any limits applied to these expenditures. A copy of the response of the Auditor-Controller and County Counsel is also included as an attachment to this response.***

Recommendation 1

The County should develop a policy to include a clearer definition of necessary and reasonable reimbursable expenses for elected County officials.

- ***The recommendation requires further analysis.***
- ***The Board of Supervisors has adopted policy to guide employees, department heads, and elected officials when they incur and seek reimbursement of meal, lodging, transportation and other related expenses while conducting official county business. This policy is contained in Chapter 2 of the County Administrative Rules, a copy of which was provided to the Grand Jury. The policy was extensively reviewed and updated by the County Executive Office, a review that included significant input and concurrence from appointed department heads, elected department heads and labor organizations including Placer Public Employee's Organization and the Deputy Sheriff's Association. The Board of Supervisors in 1999 (Resolution 99-309) subsequently adopted the policy.***
- ***The policy contains general information about allowable expenses including any limits that apply to these expenses and a non-inclusive list of expenses not eligible for reimbursement. In addition, as stated in the response from County Counsel, the Superior Court has issued a ruling based on litigation related to the amount of compensation for members of the Board of Supervisors that resulted in identifying allowable expenses. County staff consistently follows the ruling of the Court when expenditure reimbursement claims are prepared, reviewed, and approved for payment to members of the Board of Supervisors. The Board of Supervisors and the County Executive Officer are satisfied with the current policy, however, further analysis may reveal opportunities to clarify and better identify major categories of***

necessary and reasonable expenses for elected county officials. The County Executive will work with the Auditor-Controller and County Counsel to review the current policy and make a report of its findings and recommendations to the Board of Supervisors.

Finding 2

The review of elected County officials' reimbursable expenses needs to be conducted by an entity that can examine the claims with respect to the new policy.

- ***The Board of Supervisors and the County Executive Officer agree with the finding above.***

Recommendation 2

The responsibility for reviewing elected County officials' expense claims be delegated to the Auditor-Controller's Office.

- ***The Board of Supervisors and the County Executive Officer believe that the recommendation has been implemented.***
- ***The Auditor-Controller has the legal responsibility to issue warrants for claims against the County including reimbursement claims for expenses incurred by employees, officials, and other elected officers. Section 29740 - 29749 of the Government Code outlines the duties and responsibilities of the Auditor-Controller related to the review, modification and approval of payments (including expense reimbursement claims) from the County Treasury. However, any future clarification or better identification of allowable expenses that may be outlined in the County Administrative Rules, Practices and Policy could further assist the Auditor-Controller in discharging her duties and responsibilities (see response to Recommendation 1 above).***

Respondents

Placer County Auditor-Controller
Placer County Board of Supervisors
Placer County Counsel
Placer County Executive Officer

2. MEAL POLICIES

A. Department Head Authority

Department Heads may authorize the expenditure of budgeted department funds for the cost of meals for an employee:

- 1) Attending a breakfast, luncheon, or dinner meeting where business directly affecting the County is discussed during the meeting. Examples of allowable business-type meals include when it is impractical to meet during normal working hours, or a meeting does not adjourn during lunch, or an employee is required to go to lunch as a member of a group, such as a Board or Commission where official business is conducted.
- 2) Traveling on official business that results in the employee being away from home two hours before or after normal working hours, or more than thirty (30) miles from their office.
- 3) Required to work more than two hours before or after a normal work assignment, and it is impractical or would be an inconvenience or imposition for the employee to go home for a meal and then return to work.

EXHIBIT 1, PAGE 1 of 6

- 4) Attending an official County meeting and the employee is prevented from taking or completing a mid-shift meal break.
- 5) Prevented from taking meals away from the workstation because of extraordinary circumstances, e.g., law enforcement assignments, mandatory overtime, emergencies, or disasters.

B. Meals Provided as Part of a Fee, Lodging, or Flight

Meal-related expenses *should not be necessary if meals are provided as part of a tuition or registration fee*, with lodging or during an air flight. However, incidental meals, such as continental breakfasts provided as part of lodging, will not be counted as a pre-paid meal and employees may be reimbursed for regular meals.

C. Incidental Expenses for Meetings and Special Events

Department Heads may authorize other incidental expenses (e.g., coffee, non-alcoholic beverages, and food), for special events if, in the opinion of the Department Head such expenses would be conducive to the efficient conduct of County business, and the cost is reasonable. For example, it may be appropriate to provide beverages and food at board or commission meetings, seminars, and workshops that extend over normal "break" periods, or when it is to the benefit of the County to keep the participants together and not have them disperse for breaks. However, public funds may not be expended to purchase beverages and food for normal day-to-day County operations or routine staff meetings.

3. LODGING POLICIES

A. Department Head Authority

Department Heads may authorize the expenditure of public funds for lodging expenses for a County employee if because of official business:

- 1) The employee is more than 75 miles from home and being detained so that the employee would not normally reach home until three hours after the normal work assignment ending time, or 10:00 p.m., whichever is later; or
- 2) The employee is more than 75 miles from home and duties require remaining at that location the following day; or
- 3) Severe inclement weather, physical exhaustion, or other circumstances pose a compelling safety hazard that would warrant overnight lodging to ensure the safety of the employee.

EXHIBIT 1, PAGE 2 of 6

SUMMARY OF WHEN LODGING EXPENSES MIGHT BE AUTHORIZED	
Department Head may authorize:	Employee is more than 75 miles away from home and would not normally reach home until 3 hours after work assignment has ended or 10:00 p.m. (whichever is later).
Department Head may authorize:	Employee is more than 75 miles away and duties require remaining at that location the following day.
Department Head may authorize:	Severe inclement weather, physical exhaustion, or other circumstances pose a compelling safety hazard to the employee.

B. Lodging Guidelines

Department Heads should use their best judgment about determining the appropriateness of lodging accommodations. The following are general guidelines for making such determinations:

- 1) Lodging should be in a safe location.
- 2) Lodging should be reasonably and competitively priced, given the location and the circumstances related to the need for lodging.
- 3) Lodging should usually be at the same location of a training or conference meeting (e.g., the host hotel) if a lodging discount has been arranged and additional travel can be avoided.

C. Special Rates, Discounts and Transient-Occupancy Tax Exemption

Departments and travelers *should ask for government rates, group rates and conference rates and request a Transient-Occupancy Tax exemption*. Employees are cautioned to confirm special rates, discounts, tax exemption requirements, and identification requirements when making reservations.

4. TRAVEL POLICIES²

A. Department Head Authority

1) The Department Head may authorize one-day travel to any location in the United States as long as overnight lodging is not required.

² For purposes of these administrative policies and practices, overnight travel means travel that requires overnight lodging.

EXHIBIT 1, PAGE 3 of 6

SUMMARY OF APPROVAL AUTHORITY FOR TRAVEL	
Department Head Approves	<ul style="list-style-type: none"> • One-day travel to any location in the United States as long as overnight lodging is <i>not</i> required. • Overnight travel of <i>5 nights or less</i> within CA and Washoe County–Douglas County (Carson City, Reno). • Overnight travel within the U.S. for the purpose of conducting criminal investigations, extraditing fugitives, transporting prisoners or court wards, and interviewing juvenile wards.
County Executive Office Approves	<ul style="list-style-type: none"> • Overnight travel of <i>6 or more</i> nights within CA and/or Washoe County–Douglas County (Carson City, Reno) of NV. • Overnight travel outside CA and Washoe County–Douglas County (Carson City, Reno) of NV for purposes not included in bullet 3 above. • Overnight travel within the U.S. and the total cost (excluding staff costs) does not exceed \$500 and does not detain the employee from their normal work location for more than 5 consecutive work days. • Per diem allowance for employees working a temporary assignment. See section III.4.G. • Temporary assignments of more than 31 days or training of more than 14 days. See section III.4.G.
Board of Supervisors Approves	<ul style="list-style-type: none"> • Overnight travel outside the United States. • Overnight travel for a person appointed by the Board of Supervisors to a County commission or advisory board requiring overnight lodging of 6 or more nights.

EXHIBIT 1, PAGE 4 of 6

H. Reimbursements for Department Heads and Members of the Board of Supervisors

Notwithstanding other provisions of these policies and practices, department heads and members of the Board of Supervisors who do not have permanent overnight assignment of a county vehicle shall receive \$4,200 per calendar year as reimbursement for all private vehicle mileage on official County business, unless they elect not to receive such flat rate reimbursement.

- 1) Such officials electing to receive the flat rate reimbursement may, in addition, receive mileage reimbursement at the IRS rate for mileage driven within the county east of Baxter and outside the boundaries of Placer County.
- 2) The flat rate reimbursement shall be payable no later than the tenth day of each calendar month for mileage expenses incurred the previous calendar month.
- 3) The flat rate reimbursement shall not be payable to elected officials electing to receive additional hours of administrative leave per Section 14.450(d) of the Placer County Code.

EXHIBIT 1, PAGE 5 of 6

- 4) Officials electing to receive the flat rate reimbursement under this Section shall file an annual claim with the Auditor-Controller by February 1 of each year.
- 5) For officials whose employment begins or ends during a calendar year, there shall be a prorated reduction in the flat rate reimbursement.
- 6) Officials electing to receive the flat rate reimbursement shall not use County vehicles on official County business except as required in extraordinary circumstances.
- 7) Each Supervisor shall receive reasonable expenses, including expenses for meals incurred when attending meetings of the Board and on County business, both within and without the county. Each Supervisor, in addition to other expenses, shall receive the current standard mileage reimbursement rate for travel to and from their residence to the place of meeting of the Board at the county seat, and for travel within and without the county on County business.

EXHIBIT 1, PAGE 6 of 6